

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

**FELONY**

**BILL OF INFORMATION FOR THEFT OF GOVERNMENT FUNDS  
AND MISPRISION OF A FELONY**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO.
v.	*	SECTION:
KEITH STOBAUGH	*	Violations: 18 U.S.C. § 641
DENISE GIBBONS-STOBAUGH		18 U.S.C. § 4
	* * *	

The United States Attorney charges that:

**COUNT 1**

**(Theft of Government Funds from the U.S. Small Business Administration)**

**A. AT ALL MATERIAL TIMES HEREIN:**

1. Prior to August and September of 2005 and through the present, the defendants, **KEITH STOBAUGH** and **DENISE GIBBONS-STOBAUGH** were married.
2. Prior to August and September 2005 and continuing through the present, the defendants, **DENISE GIBBONS-STOBAUGH** and **KEITH STOBAUGH** resided at 24661 Highway 190 in Lacombe, Louisiana 70445, in the Eastern District of Louisiana.
3. Hurricane Katrina made landfall in Louisiana on August 29, 2005, and caused widespread damage to the Gulf Coast region of Louisiana, including the New Orleans area. In the immediate

aftermath of Hurricane Katrina, several federal agencies instituted programs to financially assist eligible homeowners affected by the storm.

4. In the aftermath of Hurricane Katrina, the home owned by the defendants, **DENISE GIBBONS-STOBAUGH** and **KEITH STOBAUGH**, located at 24661 Highway 190 in Lacombe, Louisiana 70445, in the Eastern District of Louisiana, suffered little or minimal damage as a result of the storm.

5. One of the federal agencies assisting Hurricane Katrina victims was the United States Small Business Administration ("SBA"), which made available low interest disaster loans to individuals who desired to rebuild homes and business devastated by Hurricane Katrina. The SBA was an agency and department of the United States of America providing disaster assistance loans to Hurricane Katrina victims. The SBA was administered and funded by the United States of America. One of the major requirements for receiving a disaster loan from the SBA was that the applicant's property actually sustain damage as a result of Hurricane Katrina and that the applicant be truthful about the sustained damage to SBA officials and employees.

**B. THE THEFT OF SBA FUNDS:**

6. From on or about August 29, 2005, to on or about June 30, 2008, in the Eastern District of Louisiana, the defendant, **DENISE GIBBONS-STOBAUGH** did knowingly steal, purloin, and convert for her own use funds and money of the United States Small Business Administration, a department and agency of the United States, namely, an SBA disaster loan in the amount of \$38,800, to which she knew she was not entitled; all in violation of Title 18, United States Code, Sections 641 and 2.

**COUNT 2**  
**(Theft of Government Funds from the U.S. Department of Housing and Urban Development)**

**A. AT ALL TIMES MATERIAL HEREIN:**

7. The allegations contained in Paragraph Nos. 1 - 5 are hereby realleged and incorporated herein in their entirety by reference.

8. Another federal agency assisting Hurricane Katrina victims was the United States Department of Housing and Urban Development ("HUD"), which provided federal grant funds to eligible homeowners affected by the storm. Specifically, pursuant to legislation passed by the Congress of the United States of America and signed by the President of the United States, funds were appropriated to HUD for a Community Development Block Grant ("CDBG") for Louisiana hurricane victims. The purpose of this CDBG was to assist and aid owners of property damaged or destroyed by Hurricanes Katrina and Rita in August and September of 2005. The grant money was disbursed under a program known as the Louisiana Road Home Program ("LRHP"). HUD prepared the rules and regulations governing the disbursement of grant money through the State of Louisiana. The State of Louisiana, through the Office of Community Development, Division of Administration, contracted with ICF International, Inc. to administer the LRHP. One of the major requirements for receiving grant money from the LRHP was that the applicant's property actually be damaged by Hurricane Katrina and that the applicant be truthful about the sustained damage to LRHP officials and employees.

**B. THE THEFT OF HUD FUNDS:**

9. From on or about April 1, 2007, to on or about June 30, 2008, the defendant, **DENISE GIBBONS-STOBAUGH** did knowingly steal, purloin, and convert to her own use money and funds

of the United States Department of Housing and Urban Development, a department and agency of the United States, namely Community Development Block Grant funds provided through the Louisiana Road Home Program to which she knew she was not entitled, having a value of approximately \$150,000; all in violation of Title 18, United States Code, Sections 641 and 2.

**COUNT 3**  
**(Misprision of a Felony)**

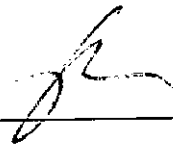
**A. AT ALL TIMES MATERIAL HEREIN:**

10. The allegations contained in Paragraph Nos. 1 - 5 are hereby realleged and incorporated herein in their entirety by reference.

**B. THE OFFENSE OF MISPRISION OF A FELONY**


11. From on or about August 29, 2005, to on or about June 30, 2008, in the Eastern District of Louisiana, the defendant, **KEITH STOBAUGH**, having knowledge of the actual commission of a felony cognizable by a court of the United States, namely theft of government funds, specifically theft of funds by his co-defendant, Denise Gibbons-Stobaugh, as alleged in Count 1, in the form of a \$38,800 low interest disaster loan belonging to the SBA to which she was not entitled, did conceal the same by signing various SBA documents and applications for the low interest disaster loan, including the SBA Loan Authorization and Agreement, which contained material misrepresentations,

and did not, as soon as possible, make known the commission of said felony to a judge or other person in civil or military authority under the United States; all in violation of Title 18, United States Code, Section 4.



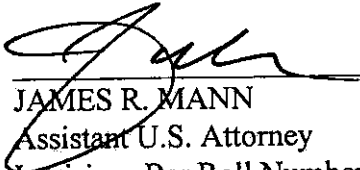
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New Orleans, Louisiana  
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